

REMARKS OF U.S. REP. JEFF FLAKE (AZ-01)

Presented for the House Committee on the Budget

February 7, 2001

Mr Chairman, I am pleased to speak to you and the rest of the committee as you consider the policies and priorities that will guide the shaping of the federal budget.

I believe this country is standing at the verge of a great opportunity concerning fiscal policy. We have the opportunity as a Congress to reverse and undo some of the most stifling policies in our nation's history.

I'm referring of course to our tax code. Mr. Chairman it is clear to me that the American people are taxed far too much.

Federal tax revenues consume more than 20 percent of the economy's output.

This is the highest percentage of taxation the country has ever had in peacetime.

There will doubtless be objections to even the idea of cutting taxes, with one of the cries heard in these halls being "we can't afford to cut taxes."

Leaving aside the obvious fact that this is just another way of saying “We don’t want to spend less money,” as we move into what is undoubtedly a period of economic slowdown, the clear answer to that cry is

“We can’t afford NOT to cut taxes.”

We need to empower employers to employ, investors to invest and consumers to consume.

There is nothing about having more money in the federal coffers that helps the economy grow.

With a projected surplus of 5.6 trillion dollars over the next 10 years, it would be criminal not to enact a substantial, across-the-board tax cut.

We must cut taxes because we can, and because we should. It truly is, the right thing to do by our economy.

I wanted to make this presentation to the House Budget Committee because of the crucial role you play in setting the tone for this process.

Mr. Chairman, I respectfully encourage you to follow the lead of the American people when they set their household budgets.

Our constituents don’t determine how much money they want to spend, and then go out and try to generate the income to match it. They look at their income level and then determine how much they can spend.

Of course, the added rub of this is that the “INCOME” we get is taken straight from the labors of the American people, and the

more we take, the less they are able to do the things that drive our national economic state.

I hope the committee will consider this as it prepares the budget, and that the revenue allocations you allot will reflect the need for a major tax cut.

Our national economy is crying out for a large, pro-growth tax cut.

This morning I have, along with a number of my colleagues, announced the drafting of such a bill. It protects social security and Medicare and is fair, comprehensive and substantial.

Most importantly, it is needed.

I ask that the committee support this kind of tax policy as it sets spending levels for the coming fiscal year. Thank You.